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guide notes

Government
Publications

Motor Fuels and Tobacco Tax Branch

Fuel Tax Refund Rulings

I REFUND ALLOWANCES ON DIESEL FUEL USED IN "POWER TAKE-OFF" OPERATIONS

Background:

Section 10(2) of the Regulation to the Fuel Tax Act, 1981, provides for a tax refund on clear diesel fuel used in Ontario to operate auxiliary equipment of motor vehicles.

Ruling:

When an auxiliary unit is operated via a "Power Take-Off" (P.T.O.) arrangement from the transmission of the vehicle or by its own engine, and uses fuel from the vehicle's supply tank, it is not possible to measure the refundable fuel accurately without a metering device. As a result, approved allowances based on the equipment manufacturer's fuel consumption specifications will be established for the purpose of claiming tax refunds.

Refund claims must comply with the Act's time limits for filing (three years from the date of tax payment) and be accompanied by supporting invoices. In addition, records must be retained by claimants for five years for audit purposes.

The attached sheets provide refund allowances for the operation of various auxiliary equipment, however, claimants may apply to the Motor Fuels and Tobacco Tax Branch for an allowance not already established, or for a review of an existing one. Requests must be made in writing and should describe the unit and its operation. The manufacturer's specifications showing the unit's fuel consumption while operating under P.T.O. conditions, should also be provided.

Refunds will be paid upon Branch approval of allowances. No refunds will be paid for P.T.O. allowances unless the Branch has given prior approval.



Ministry
of
Revenue

Robert F. Nixon
Minister
T.M. Russell
Deputy Minister



“POWER TAKE-OFF” REFUND ALLOWANCES

OPERATION PERFORMED	DIESEL FUEL ALLOWANCE	RECORDS REQUIRED
1. Pumping a. petroleum products – gasoline, propane, fuel oil, bunker, primer b. petro-chemicals – acetates, benzene, benzol, carbitols, cellosolves, ethylenes, glycols, hexanes, isopropyls, methanes, naphthas, phenols, propyls, solvents, toluol, xylol c. waste products – oil, sludge, septic and holding tanks d. light products – alcohol, lard, peanut oil, soap stock, soya oil, tallow e. heavy products – glycerine, milk, molasses, resins, tar, syrup f. cryogenic products – argon, nitrogen, oxygen g. gaseous products – argon, nitrogen, oxygen	0.7 litres per 1,000 litres pumped 0.7 litres per 1,000 litres pumped 0.7 litres per 1,000 litres pumped 0.7 litres per 1,000 litres pumped 0.8 litres per 1,000 cubic metres (m ³) pumped 2.3 litres per 100 cubic metres (m ³) pumped	1 gallon = 4.546 litres 35.314 cubic feet = 1 cubic metre (m³) actual litres pumped per truck per month actual litres pumped per truck per month actual litres pumped per truck per month actual litres or kg pumped per truck per month (0.8 kg = 1 litre) actual litres or kg pumped per truck per month (1.0 kg = 1 litre) actual cubic metres (m ³) pumped per truck per month actual cubic metres (m ³) pumped per truck per month
2. Preparation and delivery of Ready Mix Concrete a. revolving drum, batcher, dial-a-mix b. concrete/Hydra-Crete Pump	0.8 litres per 1 cubic metre (m ³) delivered 0.7 litres per 1 cubic metre (m ³) pumped	1.308 cubic yards = 1 cubic metre (m³) actual cubic metres (m ³) delivered per truck per month actual cubic metres (m ³) delivered per truck per month
3. Unloading by Auger or Blowing Off a. dry cement, chemical, hydrated lime, grade 30 limestone, grade A limestone b. feed, grain, sand, crushed quick lime, di-calcium phosphate, crushed lime, unhydrated lime, No. 1 shell lime-stone c. insulation	0.4 litres per 1 tonne (metric) blown-off 0.9 litres per 1 tonne (metric) blown-off 14.7 litres per 1 tonne (metric) blown-off 5.0 litres per 1 tonne (metric) – mixed produced	actual tonnes (metric) blown-off per truck per month actual tonnes (metric) blown-off per truck per month 2.205 lbs. = 1 kilogram actual tonnes (metric) blown-off per truck per month actual tonnes (metric) produced per truck per month 2.205 lbs. = 1 kilogram 1,000 kg = 1 tonne metric
4. Grinding Grain a. mobile feed mill unit	5.0 litres per 1 tonne (metric) – mixed produced	actual tonnes (metric) produced per truck per month 2.205 lbs. = 1 kilogram 1,000 kg = 1 tonne metric
5. Equipment Operated Via “Power Take-Off” (P.T.O.) a. garbage packers (other than roll-off types) Option I – rear and front loading units Option II – a) front loading units b) rear or side loading units	9% of total fuel consumption 0.24 litres per container of refuse lifted, unloaded and packed 4.0 litres per truck load refuse unloaded	actual fuel consumption records per truck number of containers handled per operators’ route sheets actual fuel consumption records per truck weight tickets issued by landfill or transfer stations actual fuel consumption records per truck

NOTE: (I) above refund allowances **only** pertain to units equipped with a garbage packer

(II) only one of the above options can be used by a claimant

“POWER TAKE-OFF” REFUND ALLOWANCES

OPERATION PERFORMED	DIESEL FUEL ALLOWANCE	RECORDS REQUIRED
<p>5. Equipment Operated Via “Power Take Off” (cont'd)</p> <p>b. Cranes – loading & unloading gypsum wallboard</p> <p>c. cranes equipped with P.T.O. hour meter – loading & unloading truck cargo</p> <p>d. auto transport power ramp – loading – unloading</p> <p>e. rug cleaning – a) Steam Valet 300 b) Cleanco Unit</p> <p>f. hydro utilities-post hole driller/hoist (graffe type)</p> <p>g. well-drillers</p> <p>h. reefer units (refrigeration)</p>	<p>0.9 litres per 100 square metres loaded & unloaded</p> <p>5.6 litres per hour of crane operation</p> <p>0.44 litres per vehicle 0.3 litres per vehicle 4.2 litres per hour of operation 5.3 litres per hour of operation</p> <p>total fuel issues less 1 litre per 1.8 kilometres travelled by vehicle</p> <p>total fuel issues less 1 litre per 1.4 kilometres travelled by vehicle</p> <p>2.1 litres per hour of operation 2.7 litres per hour of operation 1.6 litres per hour of operation 4.0 litres per hour of operation 1.2 litres per hour of operation 1.3 litres per hour of operation 2.2 litres per hour of operation 3.6 litres per hour of operation 3.6 litres per hour of operation 2.3 litres per hour of operation 2.3 litres per hour of operation</p> <p>2.3 litres per hour of operation 2.3 litres per hour of operation 1.8 litres per hour of operation 1.8 litres per hour of operation</p>	<p>actual fuel consumption records per truck actual square metres loaded & unloaded per truck 10.76 square feet = 1 square metre actual hours of crane operation</p> <p>listing of vehicles loaded listing of vehicles unloaded hours of operation as per hour meter hours of operation as per hour meter</p> <p>actual fuel issues per truck actual kilometres travelled per truck</p> <p>actual fuel issues per truck actual kilometres travelled per truck hours of P.T.O. operation as per customer billing</p> <p>hours of operation as per hour meter</p>

